Sick industrial units in Orissa

2393. SHRI KAHNU CHARAN LENKA : Will the Minister of INDUSTRY be pleased to state:

(a) what is the number of small, medium and large scale industrial units in Orissa which were sick as on the 30th June, 1989; and

(b) what are the reasons therefor and what remedial steps are being taken or contemplated to be taken in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) The data on sick industrial units in the country is collected by Reserve Bank of India and as per the latest information available from them there were 9 sick industrial units in the non-SSI sector and 8692 in the small scale sector in the State of Orissa as at the end of December, 1987.

(b) A number of causes, both external and internal are responsible for industrial sickness in the country. Among the major causes are faulty project planning, management deficiencies, inefficient financial control, diversion of resources, inadequate attention to R&D, obsolescence of technology and machinery, poor industrial relations, change in market demand, cost and scarcity of raw materials and other inputs and infrastructural constraints.

For revival of sick industrial units, Government of India have got a uniform policy for the whole country including Orissa. Some of the important aspects are as follows:

(*i*) The Government have enacted a comprehensive legislation namely "The Sick Industrial Companies (Special provisions) Act, 1985". A quasi-judicial body designated as 'The Board for Industrial and Financial Reconstruction (BIFR)' has been set up under the Act to deal with the problems of sick industrial companies in an effective manner, which has become operational with effect from the 15th May, 1987.

(*ii*) The Reserve Bank of India have issued guidelines to the banks for strengthening the monitoring systems and for arresting industrial sickness at the incipient stage so that corrective measures are taken in time.

(*iii*) The banks have also been directed by the Reserve Bank of India to formulate rehabilitation packages for the revival of potentially viable units. The banks and financial institutions evolve rehabilitation packages for the revival of sick units.

(*iv*) Reserve Bank of India have also issued guidelines separately to the banks indicating parameters within which banks could grant reliefs and concessions for rehabilitation of potentially viable sick units without reference to RBI both in the large and small scale sectors.

(*v*) Government of India introduced a Margin Money Scheme with a view to supplementing the efforts of the State Governments in reducing the incidence of sickness in the samall scale sector. Under the liberalised scheme the maximum amount of assistance per unit available to sick small scale units for rehabilitation has been increased from Rs. 20,000 to Rs. 50,000.

Profits made by Bharat Wagons Limited, Patna

2394. SHRI DAVID LEDGER : Will the Minister of INDUSTRY be pleased to refer to the answer to Unstarred Question 2834 given in the Rajya Sabha on the 27th March, 1989 and state :

(a) whether the Bharat Wagons Limited, Patna initially declared

a profit of about Rs. 94 lakhs which was later on shown as Rs. 1·20 crores through a press statement issued on the 31st March, 1989;

(b) whether after final audit, the profit declared for 1988-89 was only Rs. 75 lakhs in spite of production having reached record levels as against Rs. 2·32 crores in 1986-87;

(c) whether the overtime allowance sanctioned to workers during 1988-89 is an all time record; and

(b) if so, what corrective steps are proposed in the matter?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO) : (a) BWEL had initially anticipated a profit of Rs. 94 lakhs only. However, later as per the provisional figures, the estimated net profit excluding interest on Government loan was reported as Rs. 1·30 crores.

(b) The process of Audit for 1988-89 is still on. The profitability would have been better but for reduction in BOXN Wagons price by the Railway Board during this period.

(c) and (d) Overtime is resorted to as a temporary measure to meet the exigencies of work like sudden spurt in work absenteeism, etc.

Agreement for the supply of Maruti cars to Yugoslavia

2395. SHRI MOHINDER SINGH LATHER :
SHRI VIRENDRA VERMA :

Will the Minister of INDUSTRY be pleased to state :

(a) whether it is a fact that an agreement was arrived at with Yugoslavia for the supply of 300 LHD Maruti cars;

(b) whether it is also a fact that a lot of 180 such cars was sent to Kandla Port for despatch to Yugosalvia without opening L.C. and that the vehicles are still lying at the Port;

(c) whether it is also a fact that another lot of 80 vehicles despatched for Kandla Port was recalled from mid-way and that because of the delay in the execution of the order, the contract has been cancelled;

(d) if so, what is the total cost of the vehicles manufactured for supply to Yugoslavia the expenditure incurred by Government in the transportation of these vehicles to Kandla and recalling the lot from mid-way besides maintenance of the vehicles lying at Kandla Port; and

(e) what action has been taken against the concerned officials for the negligence in opening of L.C. before execution of the order and also the manner in which the vehicles are proposed to be disposed of?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO) ; (a) Yes, Sir.

(b) and (c) 120 cars were transported by Maruti Udyog Limited (MUL) to Kandla Port for export to Yugoslavia prior to the opening of L/C. as inland transportation starts 2-4 weeks prior to shipment depending on the size of the lot. The balance 180 cars were held back at the factory premises because L/C was not opened.

(d) The vehicles will shortly be exported to another country. No extra expenditure has been incurred